

MOTION FILED
JAN 18 1982

No. 82-1075

In the
Supreme Court of the United States

October Term, 1982

CPG PRODUCTS CORP. and
GENERAL MILLS FUN GROUP, INC.,
Petitioners,

v.

ANTI-MONOPOLY, INC.,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Motion Of The Grocery Manufacturers
Of America, Inc. For Leave To
Participate *Amicus Curiae* And
Brief In Support Of Petition For
Writ Of Certiorari

RICHARD M. PHILLIPS
(Counsel of Record)

JAMES R. KYPER
ROBERT M. OWSIANY
CAROLYN L. MARCHETTI

OF COUNSEL:

STEPHEN A. BROWN
Grocery Manufacturers of
America, Inc.

1010 Wisconsin Avenue, N.W.
Washington, D.C. 20007

KIRKPATRICK, LOCKHART,
HILL, CHRISTOPHER &
PHILLIPS
1900 M Street, N.W.
Washington, D.C. 20036

(202) 452-7000
Counsel for Amicus Curiae

No. 82-1075

**In the
Supreme Court of the United States**

October Term, 1982

**CPG PRODUCTS CORP. and
GENERAL MILLS FUN GROUP, INC.,**
Petitioners,

v.

ANTI-MONOPOLY, INC.,
Respondent.

**ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

**Motion For Leave Of Court
To Participate As *Amicus Curiae***

The Grocery Manufacturers of America, Inc., (hereinafter "GMA"), pursuant to Rule 36.1 of the Rules of this Court, respectfully moves for leave to submit the attached Brief *amicus curiae* in support of the Petition for Writ of Certiorari herein. The Petition seeks to review the judgment of the United States Court of Appeals for the Ninth Circuit in *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982), entered on August 26, 1982 [hereinafter cited as *Anti-Monopoly II*].

1. GMA has obtained the consent of Petitioner, CPG Products Corp., the successor of General Mills Fun Group, Inc., to participate as *amicus curiae* in this proceeding. However, Respondent, Anti-Monopoly, Inc., has refused to so consent, and this Motion is therefore required under SUP. CT. R. 36.1.

2. GMA is a non-profit trade association of manufacturers and processors of food and non-food products sold in retail outlets throughout the United States. GMA has approximately 130 members, including General Mills, Inc., the parent firm of Petitioner. GMA serves the interests of its members and the consuming public by seeking a competitive market place which maximizes consumer freedom of choice with assurance of health and safety. GMA is concerned with legal, regulatory and legislative developments affecting the industry, including trade regulation. GMA has a direct and abiding interest in the interpretation and judicial construction of federal trademark policies as embodied in the Lanham Act, 15 U.S.C. §§1051-1127 (1976), particularly as they impact on the products offered by its members.

3. The members of GMA collectively employ more than 2.5 million people and have total annual sales in excess of \$200 billion. Most of the products and services offered to the consuming public by GMA members are sold under federally registered trademarks, many of which, like the MONOPOLY trademark involved in this case, have achieved widespread public recognition. GMA believes that the use and registration of these trademarks has served the policies of the Lanham Act by preserving the identity, source and quality of its members' products, by protecting the consuming public from confusion and deception and by encouraging innovation and creativity in the market place.

4. The Ninth Circuit's decision in *Anti-Monopoly II* casts doubt upon the validity of thousands of trademarks diligently

promoted and policed by GMA's members. If the decision below is allowed to stand, few trademarks, particularly those applied to products which are arguably unique or distinctive, could escape serious question as to their validity. Such trademarks will be subject to unprecedented legal challenge and exploitation by those seeking to appropriate for themselves the goodwill and other benefits derived from the public awareness of products which are promoted by others, add to the confusion and, in many cases, the deception of the consuming public. Such a result would undermine the policies of the Lanham Act and destroy incentives, fostered by trademark protection, for the creation and promotion of unique products.

5. The Ninth Circuit's decision in *Anti-Monopoly II* conflicts with the decisions of other circuits and sows confusion among the lower courts. Since this Court has never addressed the issue decided by the Ninth Circuit and has never interpreted the applicable provisions of the Lanham Act, the Petition presents a case of first impression. GMA, whose members would be greatly interested in and affected by such a decision, is uniquely situated to address the reasons why this Court should review *Anti-Monopoly II*.

6. If granted leave by this Court to participate as *amicus curiae*, GMA will support the Petition for Certiorari filed by CPG Products Corp. and General Mills Fun Group, Inc. GMA's involvement would not broaden the issues in this litigation, but would furnish this Court with the benefit of participation by a representative of a broad spectrum of interested and affected parties.

Accordingly, The Grocery Manufacturers of America, Inc., respectfully requests that this Honorable Court grant its Motion for Leave of Court to Participate as *Amicus Curiae* and that its Brief in Support of the Petition for a Writ of Certiorari be accepted.

Respectfully submitted,

KIRKPATRICK, LOCKHART,
HILL, CHRISTOPHER &
PHILLIPS

1900 M Street, N.W.
Washington, D.C. 20036

By /s/ RICHARD M. PHILLIPS
RICHARD M. PHILLIPS
(*Counsel of Record*)

JAMES R. KYPER
ROBERT M. OWSIANY
CAROLYN L. MARCHETTI

*Counsel for Grocery
Manufacturers of America, Inc.*

OF COUNSEL:

STEPHEN A. BROWN
Grocery Manufacturers of
America, Inc.
1010 Wisconsin Avenue, N.W.
Washington, D.C. 20007

Dated: January 17, 1983

No. 82-1075

In the
Supreme Court of the United States

October Term, 1982

CPG PRODUCTS CORP. and
GENERAL MILLS FUN GROUP, INC.,
Petitioners,

v.

ANTI-MONOPOLY, INC.,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Brief In Support Of Petition For
Writ Of Certiorari
Of The Grocery Manufacturers
Of America, Inc. as *Amicus Curiae*

RICHARD M. PHILLIPS
(Counsel of Record)

JAMES R. KYPER
ROBERT M. OWSIANY
CAROLYN L. MARCHETTI

OF COUNSEL:

STEPHEN A. BROWN
Grocery Manufacturers of
America, Inc.
1010 Wisconsin Avenue, N.W.
Washington, D.C. 20007

KIRKPATRICK, LOCKHART,
HILL, CHRISTOPHER &
PHILLIPS
1900 M Street, N.W.
Washington, D.C. 20036
Counsel for Amicus Curiae

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF AUTHORITIES	iii
INTEREST OF THE <i>AMICUS CURIAE</i>	1
SUMMARY OF ARGUMENT	2
ARGUMENT	3
I. THE NINTH CIRCUIT WRONGLY DECIDED AN IMPORTANT QUESTION OF FEDERAL LAW WHICH HAS NOT BEEN, BUT SHOULD BE, SETTLED BY THIS COURT (SUP. CT. R. 17.1 (c))	3
A. This Court Has Never Decided Under What Circumstances A Validly Regis- tered Trademark Becomes Invalid As The Common Descriptive Name Of An Article Or Substance	3
B. The Ninth Circuit Wrongly Decided This Question Solely On The Basis Of A Purchaser Motivation Survey	4
C. In Reaching This Incorrect Decision, The Ninth Circuit Ignored The Basic Purposes And Policies of Trademark Law	6
D. The Ninth Circuit's Erroneous Decision On This Question Was Based On A Misreading Of This Court's <i>Shredded</i> <i>Wheat</i> Decision And The Relevant Decisions Of Other Courts	7

	<u>Page</u>
II. THE NINTH CIRCUIT'S DECISION CONFLICTS WITH DECISIONS IN OTHER CIRCUITS (SUP. CT. R. 17.1 (a)) . . .	10
A. The Ninth Circuit's Decision Rejects The Principle Accepted In Other Circuits That A Valid Trademark Can Perform A Dual Function, At Once Identifying A Product And Its Source	10
B. The Ninth Circuit's Decision Rejects The Principle Accepted In Other Circuits That Whether A Trademark Has Become The Common Descriptive Name Of An Article Depends On The Public's Understanding Of The Mark, Not The Public's Motivation To Purchase A Product	14
CONCLUSION	18

TABLE OF AUTHORITIES

UNITED STATES SUPREME COURT CASES

	<u>Page</u>
<i>Estate of Beckwith v. Commissioner of Patents</i> , 252 U.S. 538 (1919)	15
<i>Coca-Cola Co. v. Koke Co. of America</i> , 254 U.S. 143 (1920)	13, 14
<i>Kellogg Co. v. National Biscuit Co.</i> , 305 U.S. 111 (1938)	3, 4, 7, 8, 9

UNITED STATES COURT OF APPEALS CASES

<i>Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.</i> , 684 F.2d 1316 (9th Cir. 1982)	passim
<i>Anti-Monopoly Inc. v. General Mills Fun Group</i> , 611 F.2d 296 (9th Cir. 1979)	passim
<i>In re DC Comics, Inc.</i> , 689 F.2d 1042 (C.C.P.A. 1982)	12, 13
<i>Dan Robbins & Assocs., Inc. v. Questor Corp.</i> , 599 F.2d 1009 (C.C.P.A. 1979)	12, 14, 15
<i>Dupont Cellophane Co. v. Waxed Prods.</i> <i>Co.</i> , 85 F.2d 75 (2d Cir.), <i>cert denied</i> , 299 U.S. 601 (1936)	9, 15
<i>King-Seeley Thermos Co. v. Aladdin Indus., Inc.</i> , 321 F.2d 577 (2d Cir. 1963), <i>aff'g American</i> <i>Thermos Prods. Co. v. Aladdin Indus., Inc.</i> , 207 F.Supp. 9 (D. Conn. 1962)	9, 15
<i>McGregor-Doniger Inc. v. Drizzle Inc.</i> , 599 F.2d 1126 (2d Cir. 1979)	16
<i>In re Minnesota Mining & Mfg. Co.</i> , 335 F.2d 836 (1964)	13

	<u>Page</u>
<i>In re Searle & Co.</i> , 360 F.2d 650 (C.C.P.A. 1966)	4, 15
<i>South Corp. v. United States</i> , 690 F.2d 1368 (Fed. Cir. 1982)	12
<i>Standard Brands, Inc. v. Smidler</i> , 151 F.2d 34 (2d Cir. 1945)	16
<i>Tuxedo Monopoly, Inc. v. General Mills Fun Group, Inc.</i> , 648 F.2d 1335 (C.C.P.A. 1981)	3

UNITED STATES DISTRICT COURT CASES

<i>American Thermos Prods. Co. v. Aladdin Indus., Inc.</i> , 207 F.Supp. 9 (D.Conn. 1962) <i>aff'd sub nom.</i> <i>King-Seely Thermos Co. v. Aladdin Indus., Inc.</i> , 321 F.2d 577 (2d Cir. 1963)	15
<i>Bayer Co. v. United Drug Co.</i> , 272 F. 505 (S.D.N.Y. 1921)	9, 11, 14, 15
<i>E. I. DuPont de Nemours and Co. v. Yoshida Int'l Inc.</i> , 393 F.Supp. 502 (E.D.N.Y. 1975)	15, 16
<i>R. Guastavino Co. v. Comerma</i> , 180 F.920 (S.D.N.Y. 1910)	11, 12
<i>Selchow & Righter Co. v. McGraw-Hill Book Co.</i> , 439 F.Supp. 243 (S.D.N.Y. 1977), <i>aff'd</i> 580 F.2d 25 (2d Cir. 1978)	12
<i>Stix Prods., Inc. v. United Merchants & Mfrs., Inc.</i> , 295 F.Supp. 479 (S.D.N.Y. 1968)	16

STATUTES AND RULES

15 U.S.C. §§1051-1127 (1976)	2
15 U.S.C. §1064(c) (1976)	3

	<u>Page</u>
15 U.S.C. §1127 (1976)	16
FEDERAL COURTS IMPROVEMENT ACT OF 1982, PUB. L. NO. 97-164, §101, 96 Stat. 25 (1982)	12

OTHER AUTHORITIES

Comment, <i>Generic Term or Trademark?: Confusing Legal Standards and Inadequate Protection</i> , 20 AM. U. L. REV. 109 (1979)	9
S. REP. NO. 1339, 79th Cong., 2nd Sess. (1946) <i>reprinted in</i> 1946 U.S. CODE CONG. & AD. NEWS 1274	7

No. 82-1075

In the
Supreme Court of the United States

October Term, 1982

CPG PRODUCTS CORP. and
GENERAL MILLS FUN GROUP, INC.,
Petitioners,

v.

ANTI-MONOPOLY, INC.,
Respondent.

Brief of *Amicus Curiae*

The Grocery Manufacturers of America, Inc., respectfully submits this Brief as *amicus curiae* in support of the Petition for Writ of Certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit in *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982) [hereinafter cited as *Anti-Monopoly II*].

INTEREST OF AMICUS CURIAE

The interest of the Grocery Manufacturers of America, Inc. (hereinafter "GMA") has been set forth in the Motion for Leave of Court to Participate as *Amicus Curiae*.

SUMMARY OF ARGUMENT

In this case, the Ninth Circuit used novel concepts of trademark law to invalidate one of the most celebrated trademarks in the commercial world. It did so by ignoring a fundamental precept of trademark law, by misusing consumer survey evidence and by arbitrarily determining that a distinctive product alone constituted a separate class of products. The Ninth Circuit's decision misapplies a prior decision of this Court and decisions in other circuits and creates a serious conflict with the law of other circuits and with basic policies of the Lanham Act of 1946, 15 U.S.C. §§1051-1127 (1976), enacted by Congress as the statutory foundation of federal trademark law.

The decision of the Ninth Circuit defies commercial reality. It ignores the fact that a trademark, particularly one for a unique or distinctive product produced by only one source, can serve the dual function of identifying both product and source. As such, the decision—if not reviewed by this Court—will jeopardize thousands of well-known trademarks, leaving them exposed to unprecedented legal challenge and exploitation by imitators seeking to appropriate for themselves the public recognition of products promoted by others to the confusion and deception of the consuming public. Such a result would undermine the policies of the Lanham Act and destroy the creative and promotional incentives intended to be fostered by trademark protection.

Review of the Ninth Circuit's decision will be a matter of first impression for this Court. Review by this Court is essential to resolve the grave uncertainty and confusion created by the Ninth Circuit's decision and to preserve the policies and purposes of federal trademark law.

ARGUMENT

I. THE NINTH CIRCUIT WRONGLY DECIDED AN IMPORTANT QUESTION OF FEDERAL LAW WHICH HAS NOT BEEN, BUT SHOULD BE, SETTLED BY THIS COURT.

In *Anti-Monopoly II*, the Ninth Circuit struck down the longstanding and "famous" trademark of MONOPOLY.¹ It did so without disputing the district court's finding that the mark, "MONOPOLY", had been extensively promoted and carefully policed by its owner, Parker Brothers, and was well known to the public as the brand name for a unique and very popular version of a real estate trading board game. Nevertheless, the court below held that the MONOPOLY trademark had become the "common descriptive name of an article or substance" and was therefore invalid and unenforceable under the Lanham Act.²

A. This Court Has Never Decided Under What Circumstances A Validly Registered Trademark Becomes Invalid As The Common Descriptive Name Of An Article Or Substance.

This Court has never addressed the issue decided by the court below—under what circumstances a trademark validly registered under federal law becomes invalid as the "common descriptive name of an article of substance." While this Court's decision in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1983) [hereinafter cited as "*Shredded Wheat*"] was cited by the

¹See *Tuxedo Monopoly, Inc. v. General Mills Fun Group, Inc.*, 648 F.2d 1335, 1336 (C.C.P.A. 1981), where the court stated: "We agree with the board that appellee's evidence establishes that appellee has built up an enormous goodwill in the mark MONOPOLY, which has been used since 1935 for a board game and that MONOPOLY may properly be termed a 'famous' mark."

²The Lanham Act provides that a term which was a validly registered can be cancelled if it is shown to have become the "common descriptive name of an article or substance." 15 U.S.C. §1064(c)(1976).

court below as precedent on this issue, that decision did not involve a federally registered trademark and did not discuss the circumstances under which such a trademark could be invalidated as having become, in the time since registration, the "common descriptive name of an article" or a "generic" term.³ In *Shredded Wheat*, trademark registration of the term "shredded wheat" had been refused years before and that refusal had been upheld on appeal. This Court merely agreed that the term "shredded wheat" was "the generic term of the article" and held that as such the original maker of shredded wheat had no exclusive right to use of the term. *Id.* at 116.

B. The Ninth Circuit Wrongly Decided This Question Solely On The Basis Of A Purchaser Motivation Survey.

The court below was led to its erroneous conclusion by an unprecedented and commercially unrealistic reliance on purchaser motivation rather than purchaser understanding in determining the meaning of MONOPOLY to the consuming public. The court below began its analysis by declaring that "the MONOPOLY trademark is valid *only if* 'the primary significance of the term in the minds of the consuming public is . . . the producer.'" *Anti-Monopoly I*, 611 F.2d at 302, *quoting Shredded Wheat*, 305 U.S. at 118 (emphasis added). The court emphasized: "Even if only one producer—Parker Brothers—has ever made the MONOPOLY game, so that the public necessarily associates the product with that particular producer, the trademark is invalid unless source identification is its primary significance." *Anti-Monopoly I*, 611 F.2d at 302, *quoted in Anti-Monopoly II*, 684 F.2d at 1322. The Ninth Circuit insisted that this is the correct approach despite the fact

³Although the legislative history of the Lanham Act reveals a purposeful avoidance of the term "generic", some courts have equated the phrase "common descriptive name of an article or substance" with the word "generic". See, e.g., *In re Searle & Co.*, 360 F.2d 650, 653 (C.C.P.A. 1966).

that the product is known under the name MONOPOLY and is known, by a majority of the purchasing public, to have always been supplied by only one producer.

Following this approach, the court below reached the conclusion, on the basis of a single survey conducted on behalf of the Respondent, that the "primary significance" of MONOPOLY is to identify a product, not its producer. In that survey, a majority of past and prospective purchasers said that they would purchase MONOPOLY primarily because they were "interested in playing the game of MONOPOLY". *Anti-Monopoly II*, 684 F.2d at 1324, quoting *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979) [hereinafter cited as *Anti-Monopoly I*]. That survey merely showed, however, that a majority of those surveyed responded affirmatively to hypotheticals formulated from the following language: "I want a 'Monopoly' game. Don't bother showing me Anti-Monopoly, or EASY MONEY, or backgammon, I am interested in playing the game of Monopoly. I don't much care who makes it." *Anti-Monopoly I*, 611 F.2d at 306, quoted in *Anti-Monopoly II*, 683 F.2d at 1324.⁴ The court below erroneously rejected as irrelevant other surveys considered highly relevant by the district court and courts in other circuits.

The court below misapplied the obvious fact that MONOPOLY is distinguishable from other board games and other real estate trading board games. It did so by using the distinctive features of MONOPOLY to find that this game is a separate class or genus from all other games. The court next reasoned that since MONOPOLY has only one producer, the trademark could not serve the function of distinguishing the

⁴The expression actually used in the survey was: "I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly', I don't much care who makes it." Sixty-five percent (65%) of those surveyed chose this statement. Thirty-two percent (32%) chose: "I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products." *Anti-Monopoly II*, 684 F.2d at 1324.

products of another producer. Accordingly, the court held that MONOPOLY is no longer entitled to trademark protection because it connotes product rather than source.

The erroneous approach of the court below raises grave concern over the validity of thousands of extensively promoted, carefully policed trademarks. If the same purchaser motivation approach were used to test the validity of trademarks for unique and popular products, such as CHEERIOS, DR. PEPPER and VELVEETA, they would be subject to defeat in the very same way. Indeed, the court below confirmed this concern by candidly acknowledging that if the same motivational survey accepted by it in this case were applied to a popular detergent known as TIDE, its producers, "Procter and Gamble, might have cause for alarm." *Anti-Monopoly II*, 684 F.2d at 1326.

Thus, the Ninth Circuit's decision, if allowed to stand, will have widespread impact on the validity of trademarks under federal law. The decision clearly affects all trademarks which are of sufficient fame and recognition such that the trademark is better known than the producer of the product. The decision even more pointedly jeopardizes the validity of marks which have served to identify and distinguish products of a unique character and which have been supplied by only one source. Such marks are prevalent not only in the toy and game industry, but also in the food and grocery industry.

C. In Reaching This Incorrect Decision, The Ninth Circuit Ignored The Basic Purposes And Policies Of Trademark Law.

In reaching this result, the court below ignored the basic policies and purposes of trademark law. A trademark is granted protection because it serves to distinguish goods of different producers. A trademark is said to become generic and thus no longer worthy of protection when it becomes a com-

monly descriptive term for a product and no longer distinguishes one manufacturer's goods from another. Products like a MONOPOLY game, however, clearly compete for a consumer's favor with a host of other products.

If trademark protection is denied to a product because it is different from other products, a penalty is thereby created for uniqueness and distinctiveness. Creativity and innovation would thus be inhibited because they would be perceived as causing the loss of trademark protection. Imitators would be free to appropriate the trademarks of others for their competing products, as did the Respondent, Anti-Monopoly, Inc. Clearly, the basic purposes of the Lanham Act, protection of the public and trademark owners, are frustrated by the decision below.⁵

D. The Ninth Circuit's Erroneous Decision On This Question Was Based On A Misreading Of This Court's *Shredded Wheat* Decision And The Relevant Decisions Of Other Courts.

The Ninth Circuit reached its extreme and damaging result on the basis of a misreading of this Court's decision in *Shredded Wheat*. Nabisco there claimed trademark protection for the term "shredded wheat". The facts in *Shredded Wheat* make clear, however, that trademark protection was inappropriate in that case. The term "shredded wheat" was essentially descriptive of a product sold by a number of different producers. Trademark registration had been denied to Nabisco's

⁵The twofold purposes of the Lanham Act are described in its legislative history:

One is to protect the public so it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trademark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats.

S. REF. NO. 1339, 79th Cong., 2d. Sess. I, reprint in 1946, U.S. CODE CONG. SERVICE 1274.

predecessor, and that refusal was upheld on appeal. Furthermore, Nabisco had made virtually no effort to promote the name and police its use in a proper trademark sense. Consequently, the product itself was generally known to the public as "shredded wheat", regardless of whether Nabisco or some other producer supplied it. Upon these facts alone, *Shredded Wheat* is distinguishable from the case at hand.

Notwithstanding these factors, Nabisco insisted that the words "shredded wheat" had been so long associated with it that they were protectible as its trademark; in other words, they had attained "secondary meaning". The often cited response of this Court was:

There is no basis here for applying the doctrine of secondary meaning. The evidence shows only that due to the long period in which the plaintiff or its predecessor was the only manufacturer of the product, many people have come to associate the product, and as a consequence the name by which the product is generally known, with the plaintiff's factory at Niagara Falls. But to establish a trade name in the term 'shredded wheat' the plaintiff must show more than a subordinate meaning which applies to it. It must show that the primary significance of the term in the minds of the consuming public is not the product but the producer.

Shredded Wheat, 305 U.S. at 118.

It is this precise language that was relied upon by the Ninth Circuit in reaching its decision in *Anti-Monopoly II*. It did so even though *Shredded Wheat* is factually distinguishable from *Anti-Monopoly II* and even though this precise language dealt with the doctrine of secondary meaning, an issue not raised in *Anti-Monopoly II*. These distinctions make clear that the Ninth Circuit's decision, which rests as it does on

Shredded Wheat, is clearly wrong and should be reversed.⁶

The failure adequately to police the use of a trademark is the most significant factor in the other authorities erroneously relied upon by the court below to support its finding that MONOPOLY has become a generic term and is therefore no longer entitled to trademark protection. Thus in *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921); *DuPont Cellophane Co. v. Waxed Products Co.*, 85 F.2d 75 (2d Cir.), cert. denied, 299 U.S. 601 (1936); and *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577 (2d Cir. 1963) aff'g *American Thermos Prods. Co. v. Aladdin Indus., Inc.*, 207 F. Supp. 9 (D. Conn. 1962), the courts held, respectively, that the trademarks "Aspirin", "Cellophane" and "Thermos" were no longer valid because the owners of the trademarks had not adequately policed them. As a result, the courts found that products sold by competitors were identified in the public's mind with the trademarked products. Under such circumstances, the courts properly concluded that these trademarks had become common descriptive terms for the products and no longer were identified with one particular producer.

In contrast, the district court found, and the court below did not dispute, that MONOPOLY was a term identified in the public mind only with the real estate trading game produced by Parker Brothers and that Parker Brothers had adequately policed the use of the trademark so as to preclude its use by others. Under such circumstances, MONOPOLY retained its sole identification with the distinctive game produced by Parker Brothers, and the trademark necessarily performed the dual function of identifying both the product and the source.

⁶The Ninth Circuit's decision is only the latest and most extreme example of the widespread confusion among the lower federal courts on the proper approach to resolution of the "genericness" issue. See Comment, *Generic Term or Trademark?: Confusing Legal Standards and Inadequate Protection*, 20 AM. U. L. REV. 109 (1979). A decision by this Court is necessary to clear up the confusion on this important question.

The failure of the court below to recognize the dual function performed by a trademark such as MONOPOLY, its arbitrary determination that the game of MONOPOLY, by itself constituted a separate and distinctive class of products and its unrealistic reliance on consumer motivation, rather than understanding, led to its erroneous conclusion that MONOPOLY was no longer a valid trademark. If the approach utilized by the court below were to be followed by other courts, few trademarks, particularly those for distinctive or unique products which have achieved popularity, could possibly survive. Such a result is plainly erroneous and inconsistent with the basic policies and precepts of trademark law.

II. THE NINTH CIRCUIT'S DECISION CONFLICTS WITH DECISIONS IN OTHER CIRCUITS.

The Ninth Circuit's holding that a trademark must either identify product or source and that a trademark such as MONOPOLY is no longer protected whenever it cannot be shown to be "primarily source indicating", *Anti-Monopoly II*, 684 F.2d at 1323, conflicts with decisions in the Second and other Circuits. The Ninth Circuit created this conflict by rejecting two principles long accepted in other circuits: (1) that a valid trademark can perform a dual function, at once identifying a product and its source and (2) that the determination whether a trademark has become generic depends on the public's *understanding* of the term and its ability to distinguish the trademark owner's goods from those of others, not the public's *motivation* at the time of purchase.

A. The Ninth Circuit's Decision Rejects The Principle Accepted In Other Circuits That A Valid Trademark Can Perform A Dual Function, At Once Identifying A Product And Its Source.

The principle that a valid trademark can perform the dual function of identifying both product and source was recog-

nized in the Second Circuit by the decision of Judge Learned Hand in *Bayer Co. v. United Drug Co.*, 272 F.505 (S.D.N.Y. 1921). *Bayer* concerned the validity of the word "Aspirin" as a trademark. In *Bayer*, the defense showed that the claimant had not adequately policed the trademark for its product and that the term "Aspirin" was commonly used by the public to identify products made by other producers. Accordingly, *Bayer* held that, as to the general public, "Aspirin" had become a generic term for acetyl salicylic acid. However, in so holding, Judge Hand made it clear that some words can and do mean "both the kind of goods and their maker", *id.* at 513, and that in spite of this dual function these words were entitled to protection as trademarks. Thus, Judge Hand emphasized that the trademark "Aspirin" would be protected if it "in fact had come at once to describe the drug in question and also its origin from a single source." *Id.* at 509. Indeed, as Judge Hand observed, the trademark would be protected even if "the identity of the source" were not "known" as long as the trademark identified the product and "that it came from the same single, though, if one please anonymous, source." *Id.*

Judge Hand cited with approval a case he had decided ten years earlier in which he faced the very same issue decided by the Ninth Circuit in this case. *R. Guastavino Co. v. Comerma*, 180 F. 920 (S.D.N.Y. 1910). *Guastavino* concerned the availability of trademark protection for the terms "Spanish tile" and "cohesive tile," terms which had been used exclusively by *Guastavino* for some 30 years. In rejecting the defense that these terms were generic because they identified the product rather than the source of the product, Judge Hand observed that

all that is needed for a valid trade-mark is that the name should indicate the manufacturer of [sic] the owner, whether there are other manufacturers or not. If the name has come to mean both the article and its

manufacturer, it is none the less a misapplication to apply it to the article when made by another. Strictly speaking the article has never yet got a generic name at all; usage has heretofore not found it necessary to distinguish between product and manufacturer. That does not change the fact that the work in question does mean the product of *Guastavino*. The name has not become generic, because the thing has not yet become a genus.

Id. at 921.

Thus in the Second Circuit, as long as "usage has heretofore not found it necessary to distinguish between product and manufacturer" a trademark is no less valid merely because it identifies both the product and its source. This is so especially with respect to particular or unique products supplied by a single, though perhaps anonymous, source. *Selchow & Righter Co. v. McGraw-Hill Book Co.*, 439 F.Supp. 243 (S.D.N.Y. 1977), *aff'd* 580 F.2d 25 (2d Cir. 1978).

This principle also finds express support in the Federal Circuit.⁷ *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d 1009 (C.C.P.A. 1979). There the court sustained the rejection of a challenge to the validity of the TINKERTOY trademark on the ground of genericness, stating that "[i]t is enough that purchasers can rely on a mark to distinguish products emanating from different sources, and a mark need not identify a specific source." *Id.* at 1014.

Similarly, in the very recent case of *In re DC Comics, Inc.*, 689 F.2d 1042 (C.C.P.A. 1982), the court held that certain

⁷The United States Court of Appeals for the Federal Circuit was established October 1, 1982, by the Federal Courts Improvement Act of 1982, Pub.L. No. 97-164, §101, 96 Stat.25 (1982). In its first decision, the Federal Circuit adopted as precedent that body of law represented by the holdings of the Court of Claims and the Court of Customs and Patent Appeals as of September 30, 1982. *South Corp. v. United States*, 690 F.2d 1368 (Fed. Cir. 1982).

stylized drawings were registerable as trademarks. Judge Nies in an extensive concurring opinion addressed the "source versus goods identification" issue head-on in the context of a unique and distinct product such as involved here:

No principle of trademark law requires the imposition of penalties for originality, creativeness, attractiveness, or uniqueness of one's product or requires a holding that the name arbitrarily selected to identify the product or a unique product design of a product, cannot also function as an identification of source. Indeed, it is only if the product design is unique that the public may come to rely upon it as an indication of source. *In re Minnesota Mining & Mfg. Co.*, 51 CCPA 1546, 335 F. 2d 836, 142 USPQ 366 (1964).

Id. at 1053 (Nies, J., concurring). Judge Nies stressed the dual trademark function of product and source identification in observing that

[t]he principle that a trademark must indicate "source" and not "goods" does not condemn single product word marks or designs. A word, name, symbol or device indicates "source" within the meaning of the truism if it indicates goods of one producer to the public, and it indicates "goods" if the public does not identify the asserted mark with goods from a particular source. . . . Once it is understood that a trademark is functioning to indicate 'source' when it identifies goods of a particular source, the truism then reflects the above-stated objectives of trademark law and the way trademarks actually function in the marketplace. . . . The correct inquiry is whether the public no longer associates what was a trademark with that single source.

Id. at 1054 (Nies, J., concurring). This same principle was recognized by this Court in *Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143 (1920), where it stated:

The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words "Coca-Cola" probably means to most persons the plaintiff's familiar product to be had everywhere rather than a compound of particular substances. . . . [W]e see no reason to doubt that . . . it has acquired a secondary meaning *in which perhaps the product is more emphasized than the producer*, but to which the producer is entitled.

Id. at 146 (citations omitted) (emphasis added).

B. The Ninth Circuit's Decision Rejects The Principle Accepted In Other Circuits That Whether A Trademark Has Become The Common Descriptive Name Of An Article Depends On The Public's Understanding Of The Mark, Not The Public's Motivation To Purchase A Product.

The decision of the court below further conflicts with Judge Hand's decision in *Bayer* and with the decisions of other courts by holding the trademark MONOPOLY to be generic solely on the basis of a consumer motivation survey. In contrast, Judge Hand emphasized in *Bayer* that the central inquiry in determining whether a trademark has become generic is the public's *understanding* of the meaning of the term: "The single question, as I view it, in all these cases, is merely one of fact: What do the buyers understand by the word for whose use the parties are contending?" *Bayer*, 272 F. at 509.

The answer to the question concerns consumer understanding, not motivation.⁸ Similarly, other decisions in the

⁸Also relevant is purchaser testimony, consumer surveys, and listings in dictionaries, trade journals, newspapers and other publications. *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d at 1014.

Second Circuit, unlike the decision of the court below, have correctly recognized that consumer understanding and recognition of a trademark, not motivation in purchasing a particular product, is the basic test for determining whether a valid trademark has become generic.⁹

The decisions are the same in the Federal Circuit—"Whether the relevant purchasing public regards a term as a common descriptive name is a question of fact which must be resolved on the evidence." *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d at 1014 (citing the "single question" set forth by Judge Hand in the *Bayer* opinion.) Public understanding, not motivation, is determinative. To hold otherwise, as did the court below, is to ignore the function of a trademark which is to identify its user's goods and to distinguish such goods from those of others. *In re Searle & Co.*, 360 F.2d 650, 652 (C.C.P.A. 1966).¹⁰ It also ignores the very definition of a trademark found in the Lanham Act. "The term 'trade-mark' includes any word, name symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufac-

⁹See, e.g., *Dupont Cellophane Co. v. Waxed Prods. Co.*, 85 F.2d 75, 77 (2d Cir. 1936) ("The real problem is what it *meant* to the buying public. . .") (emphasis added); *American Thermos Prods. Co. v. Aladdin Indus., Inc.*, 207 F.Supp. 9, 26 (D.Conn. 1962) ("A designation which is initially a trade-mark . . . ceases to be such when it comes to be *generally understood* as a generic . . . designation for the type of goods, services or business in connection with which it is used.") (quoting RESTATEMENT OF TORTS §735 (1938) (emphasis added), *aff'd sub nom.* *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577 (2d Cir. 1963); *E. I. DuPont de Nemours and Co. v. Yoshida Int'l, Inc.*, 393 F.Supp. 502, 523 (E.D.N.Y. 1975) ("In this circuit . . . the most recent statement of the standard of review of a trademark which both identifies the class of product as well as its source, is the *public's understanding* of the term. . .") (emphasis added).

¹⁰[T]he function of a trademark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied. . . ." *Estate of Beckwith v. Commissioner of Patents*, 252 U.S. 538, 543 (1919) (emphasis added).

tured or sold by others." 15 U.S.C. §1127 (1976). Nothing in that definition suggests that the exclusive function of a trademark is to identify source rather than product, as the court below erroneously held.

The court's rejection as irrelevant surveys considered by the district court conflicted with decisions in other circuits. Those surveys established that 55% of the American public identified Parker Brothers as the producer of the game and that 63% recognized "MONOPOLY" as a brand name. *Anti-Monopoly II*, 684 F.2d at 1323. The court's rejection of this evidence directly conflicts with several decisions in the Second Circuit. *E. I. DuPont de Nemours and Co. v. Yoshida Int'l, Inc.*, 393 F.Supp. 502, 527 (E.D.N.Y. 1975) held that a survey indicating whether the public recognized TEFLON as a brand name was the only type of survey which addressed the critical question raised by the genericness defense: what was "the principal significance of the TEFLON mark to the public." More recently, the Second Circuit expressly recognized that a "brand" name is the polar opposite of a "generic" name, stating that "A coined term, initially suggestive or even fanciful, can lose its full trademark status if it comes to signify to the public the generic name of an article rather than the source of a particular brand of that article." *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1131 (2d Cir. 1979). See also *Standard Brands, Inc. v. Smidler*, 151 F.2d 34, 36 (2d Cir. 1945) and *Stix Prods., Inc. v. United Merchants & Mfrs., Inc.*, 295 F.Supp. 479, 491 (S.D.N.Y. 1968).

These decisions recognize that if the consuming public understands that a particular trademark distinguishes a particular product from those of other producers, the trademark identifies both the product and the source and should be protected as a trademark. Such would clearly be the result in the Second and Federal Circuits.

In the Ninth Circuit, however, it is equally clear that the result would be different. In that circuit, a trademark for a product supplied by a sole producer can retain its validity only if it primarily identifies the source, and not the product. Moreover, such an identification must be determined by the court on the basis of consumer motivation rather than the well-accepted consumer understanding test. If such a test indicated that consumers were "motivated" to buy the product primarily out of affection for the product, and not the manufacturer, the product would be placed in a separate class or "genus" and, therefore, viewed as a generic product unprotected by trademark law. This important conflict among the circuits created by the novel approach and arbitrary result of the Ninth Circuit in this case can only be resolved through review of the decision below by this Court.

CONCLUSION

For the foregoing reasons, the Petition for Certiorari should be granted.

Respectfully submitted,

KIRKPATRICK, LOCKHART, HILL,
CHRISTOPHER & PHILLIPS
1900 M Street, N.W.
Washington, D.C. 2036

By /s/..... RICHARD M. PHILLIPS.....
RICHARD M. PHILLIPS
(Counsel of Record)

Of Counsel:

JAMES R. KYPER
ROBERT M. OWSIANY
STEPHEN A. BROWN
CAROLYN L. MARCHETTI

Grocery Manufacturers
of America, Inc.
1010 Wisconsin Avenue,
N.W.
Washington, D.C. 20007
*Counsel For Grocery
Manufacturers of America, Inc.*

Dated: January 17, 1983

CERTIFICATE OF SERVICE

I hereby certify that three true and correct copies of the foregoing Motion of The Grocery Manufacturers of America, Inc. for Leave to Participate *Amicus Curiae* and Brief in Support of Petition for Writ of Certiorari were served this 17th day of January, 1983 on counsel for all parties of record by depositing the same in the United States Mail, First Class, postage prepaid, addressed as follows:

CARL E. PERSON, ESQ.
132 Nassau Street
New York, New York 10038

NATHAN LEWIN, ESQ.
MILLER, CASSIDY, LARROCA
& LEWIN
2555 M Street, N.W., Suite 500
Washington D.C. 20037

/s/ RICHARD M. PHILLIPS

Richard M. Phillips